

*What is the  
standard  
definition  
of someone  
unemployed?*

# Ready and Willing to Work —Need a Job

The toll of the current recession is seen in the strong rise in unemployment throughout the nation and in Utah. While Utah still has a much lower unemployment rate than many other states, it still has seen a recent increase in unemployment also.

Still, questions arise about how well the unemployment rate captures the impact on workers of an economic downturn, or those desiring to work. The standard definition of someone unemployed, as used by the Bureau of Labor Statistics (BLS), is “people who are jobless, looking for jobs and available for work.” This definition also assumes some effort is being put forward to find work. However, you don’t have to look very far to find someone who wants to work full-time but is currently only able to find part-time work.

Because of this, BLS has alternative measures of labor underutilization. The most comprehensive measure is called U-6, and it includes the total unemployed, plus all marginally attached workers, plus total employed part-time for economic reasons. This is sometimes mistakenly referred to as the “alternative unemployment rate.” But since it includes some classifications of working individuals, it really measures workers who aren’t able to work at full potential, due to economic conditions, or labor that is underutilized.

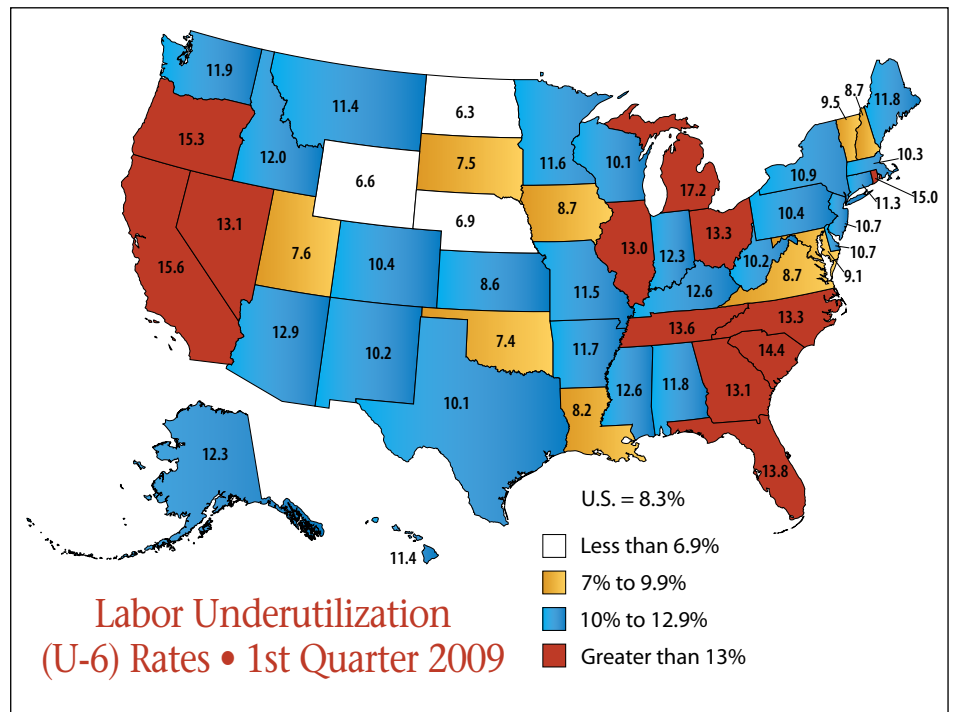
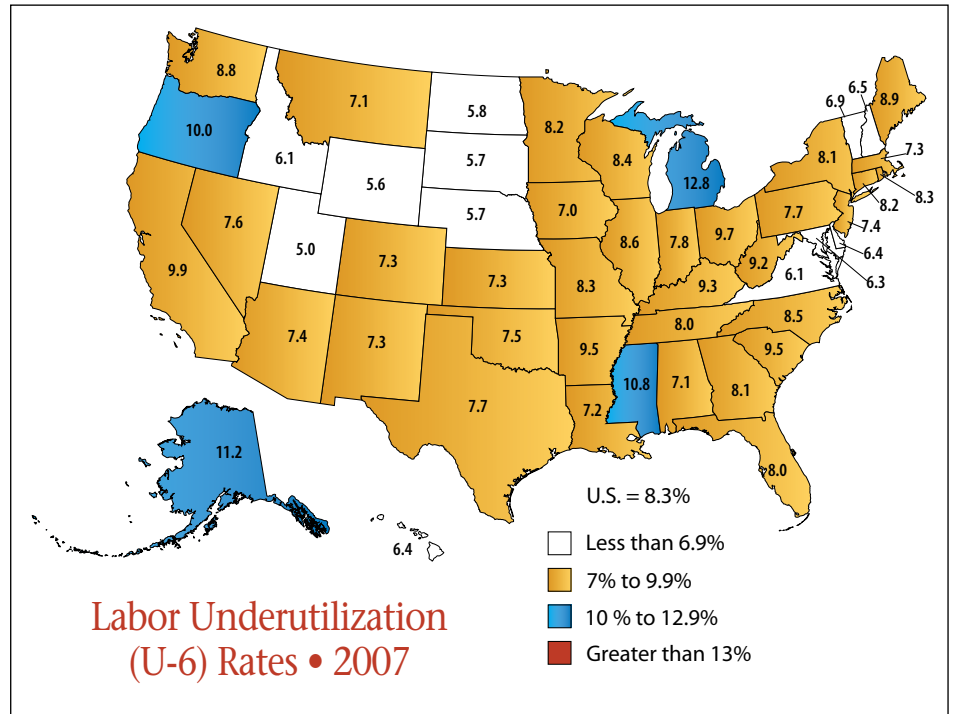
*For more information on alternative measures of labor underutilization see the following links:*

- <http://data.bls.gov/cgi-bin/surveymost>
- [http://www.bls.gov/cps/cps\\_htgm.htm#concepts](http://www.bls.gov/cps/cps_htgm.htm#concepts)
- <http://www.bls.gov/opub/ils/pdf/opbils74.pdf>
- <http://www.bls.gov/lau/stalt09q1.htm>

Historically, this U-6 measure of labor underutilization has only been available for the nation. However, BLS recently published U-6 annual averages by state for 2005-2008, and first quarter of 2009. Utah's lowest unemployment rate was a remarkable 2.6 percent in 2007, while its U-6 rate was reported at 5.0 percent.

The latest report, for the first quarter of 2009, showed Utah's unemployment rate rising to 4.3 and its U-6 rate jumping to 7.6 percent. Even with this broader definition Utah ranks reasonably well. In first quarter 2009, its 7.6 percent rate is one of the lowest, with only North Dakota, Wyoming, Nebraska, Oklahoma, and South Dakota with lower rates.

This new measure will provide a broader perspective on the impacts of economic change encountered by Utah's workforce. Hopefully, it will add information that helps policy makers in their decisions. ●



Source: Bureau of Labor Statistics